



Testimony

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POSTAL ISSUES

The Department of State's International Postal Responsibilities

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The Department of State's International Postal Responsibilities

The Department of State assumed primary responsibility for U.S. policy on Universal Postal Union (UPU) matters in October 1998 from the U.S. Postal Service. State has made progress in implementing its UPU responsibilities by taking steps to consult with the Postal Service, other federal agencies, postal users, private providers of international postal services, and the general public. In addition, State clearly signaled changes in U.S. policy on issues related to UPU reform. This progress was notable because State assumed its expanded responsibilities for the UPU less than a year before the UPU Congress met in August and September 1999 to update binding agreements governing international postal service.

While GAO recognizes the progress made by State in its first year of responsibility for UPU matters, GAO also identified opportunities for the Department to improve its process for developing U.S. policy on these matters and the institutional continuity and expertise of its staff working in this area. GAO identified some shortcomings relating to the timing and notification for public meetings, and the distribution of documents discussed at these meetings, that may have limited the opportunities for stakeholders to provide meaningful input. GAO also found that State's policy development process on UPU matters resulted in little public record of agency or stakeholder positions, which may make it difficult for Congress and others to fully understand the basis for U.S. policy positions. Further, staff turnover made it more difficult for State to develop the institutional continuity and expertise to fulfill its leadership responsibilities. GAO made recommendations to State that addressed these areas.

GAO recommended that State establish a more structured, timely, and open process for developing U.S. policy on UPU matters, with the objective of developing a process that would be conducive to meaningful stakeholder input and the development of a readily accessible public record. GAO also recommended that State provide sufficient staff continuity and expertise to handle its UPU responsibilities. However, it was not clear from State's response what specific actions State has taken or plans to take to address the recommendations.

The Department of State's International Postal Responsibilities

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to participate in the Subcommittee's hearing on how the Department of State has implemented its responsibilities for U.S. policy regarding U.S. participation in the Universal Postal Union (UPU), a specialized agency of the United Nations that governs international postal service. In my testimony, I will summarize the main findings and the recommendations of our recent report on State's performance since it assumed primary responsibility in October 1998 for U.S. policy on UPU matters from the U.S. Postal Service.¹ Overall, we highlight State's progress in implementing its responsibilities and also identify opportunities for improvement.

Department of State Progress in Implementing UPU Responsibilities

The Department of State made progress in implementing its UPU responsibilities by taking steps to consult with the Postal Service, other federal agencies, postal users, private providers of international postal services, and the general public. In addition, State clearly signaled changes in U.S. policy on issues related to UPU reform. This progress was notable because State assumed its expanded responsibilities for the UPU less than a year before the UPU Congress met in August and September 1999 to update binding agreements governing international postal service.

The Department of State Consulted and Coordinated With Interested Parties

Congress intended that State would develop U.S. policy toward the UPU in a manner that was fair, evenhanded, and open to all interested parties. State took steps to consult with interested parties and to coordinate with the Postal Service, other federal agencies, and private-sector stakeholders. State also made UPU-related documents publicly available. These actions represented progress in providing stakeholders and the public with relevant information and giving them an opportunity to offer input.

Specifically, State held public meetings and interagency meetings to discuss U.S. policy on UPU issues. State also held meetings with individual stakeholders, such as coordination meetings with the Postal Service and other stakeholders in the U.S. delegation to the UPU Congress. Stakeholders said that State was receptive to input and evenhanded in its consideration of views. In addition, State sponsored a 1-day conference to discuss the future of the UPU and of the international mail system.

The Department of State made U.S. proposals to the UPU Congress available to the general public for the first time by posting them on a new

¹ Postal Issues: The Department of State's Implementation of Its International Postal Responsibilities (GAO/GGD-00-40, Jan. 31, 2000).

Department of State Internet home page devoted to international postal policy and the UPU. State also gave interested parties access to UPU documents on the UPU's Internet site for the first time. According to a State official, these actions addressed concerns about access to UPU-related documents that had been expressed before State was the lead agency responsible for U.S. policy on UPU matters.

Further, State included representatives of two private-sector organizations—the Air Courier Conference of America and the Direct Marketing Association—in the U.S. delegation to the 1999 UPU Congress. This was reportedly the first time that representatives of private-sector organizations had been included in the U.S. delegation to a UPU Congress.

The Department of State Clearly Signaled a New UPU Policy

The Department of State clearly signaled a new direction for U.S. policy on UPU reform issues. In particular, State submitted U.S. proposals to the UPU Congress related to UPU reform. State officials said that the United States raised issues concerning UPU reform that gave impetus to the UPU's decision to establish a process to consider reform issues. Representatives of other organizations in the U.S. delegation to the UPU Congress agreed that State's positions and emphasis on UPU reform represented a new direction for U.S. policy.

U.S. Proposals to the 1999 UPU Congress

The United States made proposals to the UPU Congress that signaled changes in U.S. policies and were intended to promote UPU reform, open the UPU policy formulation process to be more inclusive of interested parties, and change some UPU rules governing international postal operations. A key U.S. proposal called for the UPU to convene an Extraordinary Congress in 2001 to consider reforms to the UPU's mission, role, and policies. The 1999 UPU Congress did not approve this proposal. However, the UPU Congress established a High Level Group to consider the UPU's future mission, structure, constituency, financing, and decisionmaking. The United States is a member of the High Level Group.

At its first meeting in December 1999, the High Level Group established a plan to review proposals for UPU reform, with the objective of reaching conclusions by October 2001. After the High Level Group completes its work, the UPU may convene a special meeting in 2002 to consider specific proposals for UPU reform.

State Can Improve Its UPU-Related Process and Staffing

While we recognize the progress made by the Department of State in its first year of responsibilities for UPU matters, we also identified opportunities for the Department to improve its process for developing U.S. policy on these matters and the institutional continuity and expertise

of its staff working in this area. We identified some shortcomings relating to the timing and notification for public meetings, and the distribution of documents discussed at these meetings, that may have limited the opportunities for stakeholders to provide meaningful input. We also found that State's policy development process on UPU matters resulted in little public record of agency or stakeholder positions, which may make it difficult for Congress and others to fully understand the basis for U.S. policy positions. Further, staff turnover made it more difficult for State to develop the institutional continuity and expertise needed to fulfill its leadership responsibilities. We made recommendations to State that addressed these areas. However, it was not clear to us from State's comments on our draft report what specific actions State has taken or plans to take to address our recommendations.

Limitations Relating to Public Meetings

We reported that stakeholders may have had limited opportunities to provide meaningful input on UPU matters for several reasons. State gave only 9 to 17 days of advance notice of the public meetings and conducted limited outreach shortly in advance of some meetings to notify interested parties. State did not distribute some materials that were discussed at the public meetings either in advance of the meetings or after the meetings. Further, the first two public meetings were timed to occur shortly before UPU deadlines for submitting proposals for consideration by the UPU Congress.

In addition, State distributed two important proposals at the public meetings after they had been submitted to the UPU. For example, the main U.S. proposal relating to UPU reform was not made publicly available before it was submitted to the UPU. This U.S. proposal called for the UPU to convene an Extraordinary Congress in 2001 to consider reforms relating to its mission, role, and policies.

We reported that the Department of State had several options available to develop a more structured and open process for obtaining stakeholder input. We found that State could take steps to ensure better and more advance notification of public meetings and more advance distribution of materials prior to these meetings. State has acknowledged that it did not give sufficient advance notice of public meetings on UPU-related matters and that minutes should have been kept at those meetings to build a concrete record.

Specifically, we reported that State could schedule public meetings further in advance of key UPU deadlines, give better and more advance notification of public meetings, and expand advance distribution of

materials relating to these meetings. We also reported that State could use the Federal Advisory Committee Act (FACA) process to form an advisory committee on UPU-related matters. Such a committee would be governed by requirements intended to ensure that such committees are balanced in terms of the points of view represented, that committee proceedings are documented and as open as possible to the public, and that Congress is kept informed of committee activities.

In its comments on our draft report, State said it could achieve the intended results of FACA without establishing a formal advisory committee through open meetings, adequate public notice, and preservation of meeting minutes. State said that it intends to publish more UPU-related material on the Department's Internet site and to periodically notify stakeholders of important documents that appear on UPU's Internet site.

At the most recent public meeting on February 1, 2000, a State official said that more advance notice of public meetings on UPU matters will be given in the Federal Register and through outreach to notify stakeholders. State gave about 1 month of advance notification for this meeting, which was advertised in the Federal Register, through outreach to selected stakeholders, and on the Internet. State also made some of the materials discussed at the public meeting available in advance on its Internet site.

Limitations Relating to the Development of a Public Record

The Department of State developed policy on UPU matters in a way that resulted in little public record of agency or stakeholder positions in this area. For example, State did not create minutes of the public meetings on UPU issues or solicit written comments on policy proposals that would have been publicly available. The limited public record of agency or stakeholder positions on U.S. policy concerning UPU issues may make it difficult for Congress and other interested parties to fully understand the basis for U.S. policy positions.

We reported that a more complete and readily accessible public record would inform interested parties of matters under consideration as U.S. policy is developed. We said that a more readily accessible public record of stakeholder positions on U.S. policy relating to the UPU could also help interested parties understand the basis for U.S. policy, as well as facilitating input as the Department of State continues to develop policies and positions on UPU matters.

We reported that State had several options available to develop a more complete and accessible public record on UPU policy. These included

using a notice and comment process to provide a structured process for obtaining public input and creating an FACA advisory committee in this area. We also reported that State could make documents available as part of the public record, such as minutes of public meetings, a transcript of the proceedings, and other input received on international postal policy. We are encouraged that a State official recently said that State plans to start maintaining minutes of its public meetings on UPU matters.

Although the Department of State started an Internet home page in April 1999 called "International Postal Policy: Universal Postal Union,"² this Internet site did not realize its full potential, partly because it was updated only twice before the 1999 UPU Congress. However, State has recently updated and enhanced its UPU-related web site, which now includes summaries of recent UPU meetings and other UPU-related documents. State will continue to post on its Internet site some UPU documents on which policy is based, according to a State official.

Recommendation Relating to State's Policy Development Process

We recommended that State establish a more structured, timely, and open process for developing U.S. policy on UPU matters, with the objective of developing a process that would be conducive to meaningful stakeholder input and the development of a readily accessible public record. While State has made some recent improvements to its process, it is not clear to us what process State intends to use to formulate and coordinate U.S. policy on UPU matters. For example, State did not address in its comments on our draft report whether it would distribute materials in advance of public meetings, make key U.S. proposals available before they are submitted to the UPU, and schedule meetings in a manner conducive to meaningful stakeholder input. In addition, State did not make clear what UPU-related documents will be made publicly available so that Congress and other interested parties can understand the basis for U.S. policy positions. For these reasons, it is not clear to us whether State will fully implement our recommendation concerning its process for developing policy on UPU matters.

Limitations That Relate to State's Institutional Continuity and Expertise

Turnover among Department of State staff involved in UPU issues occurred repeatedly in the period leading up to the UPU Congress. This turnover made it more difficult for State to develop the institutional continuity and expertise needed to fulfill its leadership responsibilities. Stakeholders told us that staff turnover affected State's ability to fully understand the implications associated with various UPU policy issues.

² See http://www.state.gov/www/issues/io_upu_hp.html.

Turnover also reportedly affected State's ability to fully understand how to build support for U.S. policies in the UPU.

Turnover is a continuing challenge for the Department because while the UPU operates on a 5-year cycle, State's Foreign Service Officers usually rotate to new responsibilities every 2 or 3 years. State told us last fall that 9 of the 11 officers who had been involved with UPU matters were career Foreign Service Officers subject to normal rotational assignments within the Foreign Service system.

Key stakeholders we interviewed agreed that continuity and expertise are important to understanding complex UPU issues and to working effectively with UPU stakeholders. Specifically, they said that

- policy development for the UPU Congress typically takes place over a multiyear period, and that many UPU issues are complex and long-standing;
- staff with sufficient continuity and expertise can understand and synthesize conflicting stakeholder input, handle day-to-day oversight tasks, and develop an understanding of how to deal with developed and developing countries in the UPU; and
- advocacy of U.S. policy in the UPU is aided by development of personal relationships with representatives of other countries—relationships that develop over an extended period through interaction at UPU meetings.

This is a pivotal time for the UPU, which is turning to the issue of whether to fundamentally reform its mission, role, and policies. UPU issues have implications for the Postal Service and the international postal and delivery services sector, which is a critical part of the world's and this nation's infrastructure for international communications and trade. This sector is expected to become even more vital over the next decade with the continued growth of trade and electronic commerce and the globalization of postal and delivery service providers. In this context, it will be critical for State to enhance its institutional continuity and expertise for developing policy on UPU matters.

We reported that the Department of State has several options available to develop institutional continuity and expertise on UPU matters. These include assessing its staffing resources, assigning career staff to work on UPU matters, and assigning a high-level staff member to this area for an extended period.

Recommendation Relating to State's Continuity and Expertise

We recommended that State provide sufficient staff continuity and expertise to handle its UPU responsibilities. State officials have told us that they recognize that, if State intends to play a leadership role in the UPU, it will need to provide sufficient institutional continuity and expertise on UPU matters. However, based on State's comments on our draft report, it is not clear how State plans to develop the institutional continuity and expertise to handle its UPU-related responsibilities. In its comments on our draft report, State acknowledged that staff rotation will automatically generate a certain lack of continuity in the handling of UPU matters, but that its career Foreign Service Officers are accustomed to short lead times in developing new expertise. State also said that at least one career staff member not subject to frequent rotation will be involved in UPU activities.

However, State's comments did not indicate whether the Department has conducted or plans to conduct a needs assessment to determine the number and type of staff it will need in the UPU area. Nor did State indicate how it plans to reduce the frequency of staff turnover given the turnover that occurred within the first year. As a result, we do not know whether State will provide sufficient institutional continuity and expertise for State to play a leadership role in handling complex UPU issues and dealing with domestic and international stakeholders.

Mr. Chairman, that concludes my statement. I would be pleased to respond to any questions you or the Members of the Subcommittee may have.

Contact and Acknowledgments

For further information regarding this testimony, please contact Bernard L. Ungar at (202) 512-8387. Individuals making key contributions to this testimony included Teresa Anderson and Kenneth John.

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